

STATE ENERGY PROGRAM FY 2001 SPECIAL PROJECTS ANNOUNCEMENT

EFFECTIVE DATE: November 3, 2000

SUBJECT: PROGRAM YEAR 2001 STATE ENERGY PROGRAM SPECIAL PROJECTS
FINANCIAL ASSISTANCE GUIDANCE

PURPOSE: To provide guidance and management information for the State Energy Program Special Projects for program year 2001.

SCOPE: The provisions of this guidance apply to all States, Territories, and the District of Columbia (hereinafter “States”), applying for 2001 Special Projects financial assistance under the Department of Energy’s (DOE) State Energy Program (SEP). Much of the information in this guidance is summarized from the rules applicable to SEP, 10 CFR part 420 and 10 CFR part 600.

BACKGROUND: In 2001, for the sixth year, DOE is offering States the opportunity to apply to undertake a variety of Special Projects under SEP. DOE has reviewed its end-use sector energy efficiency and renewable energy programs in which State assistance is an implementation strategy. As a result of this review, DOE is inviting States to submit proposals to implement specific DOE Office of Energy Efficiency and Renewable Energy (EERE) deployment activities and initiatives as Special Projects under SEP. States will compete for funding to implement activities relating to a number of programmatic areas such as Federal energy management, building codes and standards, alternative fuels, industrial efficiency, building efficiency, and renewable energy technologies. Approximately \$14.8 million will be available for these projects.

LEGISLATION: SEP is authorized under PL 94-385, PL 94-619, PL 94-580, PL 101-440, and PL 102-486. The end-use sector programs participating in the SEP Special Projects are covered by their respective statutes. All financial assistance provided under SEP shall comply with applicable legislation.

REGULATIONS: SEP is governed by its program regulations (10 CFR part 420) published in the Federal Register on July 8, 1996, and amended in the Federal Registers dated May 14, 1997, August 24, 1999, and May 1, 2000, and the DOE Financial Assistance Rules (10 CFR part 600).

1.0: STATE ENERGY PROGRAM SPECIAL PROJECTS ACTIVITIES

1.1: SPECIAL PROJECTS GENERAL PROVISIONS: The Office of Energy Efficiency and Renewable Energy is funding Special Projects activities under SEP to accomplish several important goals:

- To directly involve States in activities to accelerate deployment of energy efficiency and renewable energy technologies;
- To facilitate the commercialization of emerging and underutilized energy efficiency and renewable energy technologies; and
- To increase the responsiveness of Federally funded technology development efforts to the needs of the marketplace.

1.2: SEP SPECIAL PROJECTS PROCESS: States are invited to develop and propose program activities (projects) that respond to the competitive categories outlined below. Proposed projects will be evaluated and ranked based on the criteria provided under section six below. States will be notified as to the projects that were selected for funding. States are strongly encouraged to submit proposals in the categories that are best suited to their overall State energy plans. States can receive information from the respective end-use sector office(s) on specific projects not selected for funding by contacting their Regional Office.

(See sections 420.30, 420.31, and 420.32 for more about the process.)

2.0: SEP SPECIAL PROJECTS FUNDING

2.1: SPECIAL PROJECTS FUNDING: A notice of availability of the 2001 SEP Special Projects financial assistance is expected to be published in the Federal Register in early November 2000. Approximately \$14.8 million will be available to States to implement projects described in section six below.

States are invited to compete for funds to implement projects under requirements provided in the instructions included in section six. Selected projects will be funded individually by means of grants or, in the case of Industrial Technologies projects, cooperative agreements.

In some instances, depending on the overall results of the technical review and available funding, proposals may be funded at lower levels than originally proposed. Such cases will be negotiated on a case by case basis.

2.2A: COST SHARE: The special projects being offered under this announcement may have cost sharing requirements, which are specified by the programs in section six. Some programs encourage cost sharing but do not require it. Where required, cost shares are stated as percentages (i.e., 20%; 50%, etc.), and represent the part of the total cost of the project that must be provided by the recipient. For example, if the total cost of a proposed project is \$100,000 and the required cost share is 50%, the recipient would be required to provide at least \$50,000 of the cost and the Federal share would not exceed \$50,000. (Cost shares as the term is used in this announcement are **never** based on a percentage of the Federal financial assistance.)

Funds used to meet recipient cost sharing requirements must comply with 10 CFR part 600.224. They must not, for example, include costs borne by other Federal financial assistance (including salaries paid

by SEP formula grants), unless provided for by statute, or funds or contributions that have been used to meet cost sharing requirements of other Federal financial assistance.

Petroleum violation escrow (PVE) funds of the Warner and EXXON types **may not be used** for cost shares; PVE funds of the Stripper Well type may be used as appropriate.

It is most important that sources and amounts of cost shares be clearly specified in the application. This will facilitate the evaluations of the proposals and will expedite the final negotiations prior to the awarding of the financial assistance for projects selected for funding, helping to avoid delays at crucial steps in the process. To assist in this effort to obtain clear and consistent information on cost sharing, we are providing a cost share explanation, and recommended input sheets in this announcement (see pages 10 and 11 for copies of these.) States applying for financial assistance are urged to provide cost share information in this format.

2.2B: COST SHARE USING OTHER FEDERAL FUNDS (IF ALLOWABLE): A number of the end-use sectors have specified that their cost shares must be from non-Federal funds, but some are requiring only that the cost shares be from non-DOE sources. That could provide for the possibility of using other Federal funds for cost sharing if that is allowable under the particular circumstances. In such cases, and where a State has identified other Federal funds to be used in conjunction with DOE funds for the Federal share of the cost, the agencies contributing those funds must provide letters stipulating that their Federal funds may be used in conjunction with DOE funds for the Federal share of the cost of a DOE financial assistance agreement. Such letters should accompany the application, and all Federal funds should be listed as such and properly identified as to source in the appropriate places throughout the application.

(See sections 420.31, 420.32, and 420.33, and 10 CFR part 600.224 for more information.)

3.0: APPLICATIONS FOR SEP SPECIAL PROJECTS

3.1: SPECIAL PROJECTS APPLICATION PROCEDURES: Application packages and instructions will be provided by DOE's Regional Offices. Information regarding specific instructions for the individual special project categories can be obtained by contacting the respective DOE Regional Office end-use sector representatives specified under section six of this announcement. In addition, States may post questions in a specific section of the Office of

Building Technology Assistance website. The web-site should be operational on or about November 13, 2000. The address for that Question and Answer Forum is as follows:

http://www.eren.doe.gov/buildings/state_energy/sep/fy01/sepsp01-forum

Response postings will be updated daily.

Each Special Project proposal must include:

- An introductory cover page (see sample format on page 9) that includes:
 - The State's name;
 - The State's name for the project being applied for;
 - The DOE Special Projects end-use sector program being applied for (i.e. Rebuild America, etc.), including the particular category if an end-use sector is offering funding for several types of activities;
 - Other States participating, if any;
 - The amount of Federal funding being applied for;
 - Amounts and sources of cost share, if applicable;
 - Planned completion date;
 - Congressional District of project;
 - A one or two paragraph abstract of the proposed project that succinctly summarizes what the State intends to do, what it hopes to achieve, and, where applicable, what partners it plans to use in the project;
 - The name, address and phone number (and, if available, fax number and e-mail address) of the person in the State who will be responsible for programmatic oversight of the project;

The application proper should have page numbers on every page, and must include:

- A table of contents page listing each section or form, with its respective page number;
- A narrative explaining what the State is proposing to do under the project, including approach, goals and objectives, etc.;
- A workplan describing the activities to be performed and implementation schedule;
- Personnel resources and subrecipient requirements (if any);
- Details on cost shares, presented in the format suggested on pages 10 and 11, or equivalent information;
- Other information as specified by the end-use sectors under their respective entries under section six below; and
- The State must provide the following application forms as required by DOE's Golden Field Office:
 - Standard Form 424, Application for Federal Assistance;
 - Federal Assistance Budget Information Form, DOE F 4600.4;
 - Budget Explanation Form, GO-PF20;
 - Pre-Award Information Sheet, GO-PF19;
 - US DOE Assurance of Compliance, DOE 1600.5;
 - Certifications Regarding Lobbying; Debarment; Suspension and Other Responsibility Matters; and Drug-free Workplace Requirements; FA-Certs; and
 - Disclosure of Lobbying Activities, SF-LLL.

- Each non-competitively selected first tier subrecipient must provide Part 1 of a GO-PF20 Budget Information Page for form DOE F4600.4, which must be attached to the State's application.
- After a project has been selected for negotiation, the Regional Office Contracting Officer may require additional information, which might include information regarding costs, budgets, and possible environmental impacts of proposed projects.

Copies of the application forms can be downloaded from the Golden Field Office's web site at the following address: <http://www.eren.doe.gov/golden/applicationdocs.html>.

SPECIAL INSTRUCTIONS:

3.1A: IMPORTANCE OF INTRODUCTORY COVER PAGE: This is an extremely important part of the application, as it will be used in reviewing and evaluating the proposal, and in describing the projects in DOE press releases and Special Projects fact sheets and the Special Projects web-site. A sample blank format for this introductory page is included with this guidance (see page 9).

3.1B: NUMBER OF COPIES TO BE SUBMITTED: States are encouraged to submit a signed original and five copies of each application. This is three copies more than required, but DOE's having the additional copies will speed up the Special Projects review process.

3.1C: PLEA FOR CONCISION: Applicants are encouraged to keep their applications as concise as possible, with a suggested limit of 10 pages (or fewer, if specified under section six for a particular sector). The 10 pages should include the introductory cover page and the basic application information, including narrative description, workplan, milestones, budget, personnel resources, subrecipient requirements if any, details on cost share if any, and additional information that may be required under section six for a particular sector. This material should always be placed first in the application packages. Required forms and attachments such as letters of support would not be included in the 10 page limit (unless specified by the sector), but applicants should assure that attachments are germane and as brief as possible.

3.1D: PROJECT PERIOD LIMITS: Project periods must not exceed 24 months (or less, if specified under section six by the end use sector).

3.1E: EXCESSIVE FUNDING REQUESTS CONSIDERED NON-RESPONSIVE: Proposals that request Federal funding above any limits on Federal funding specified for a particular project category (or above the estimated total funds available for a category) will be considered non-responsive, and will not be forwarded to the cognizant sector for review.

3.1F: REQUIREMENTS/LIMITATIONS WHERE STATES PROPOSE TO COLLABORATE: Where a State is proposing to serve as the lead State in collaboration with a number of other partners, the lead State must specify that it is willing and able to subgrant or otherwise provide funds as needed to its partners. Where a group of States wishes to propose a

collaboration but there is no State willing or able to meet the requirements of a lead State, each State must submit a separate application, with that State's funding needs requested, clearly drafted to spell out the collaborative nature of the project, and the partners involved. DOE would then evaluate and rank such groups of proposals as a single entity.

3.1G: NIX ON GLUE, TAPE, OR SPIRAL BINDINGS/PLEA FOR CLIPS: Please do not glue or tape together the pages of an application or use spiral bindings. Copies that are clipped together are best.

3.1H: PLEA FOR SINGLE SIDED COPIES: Please make all pages of an application either single sided copies only, or double sided copies only. **Applications that are single-sided are preferred.**

(See section 420.33 for more detailed application requirements.)

3.2A: STATE APPLICATION DUE DATE: Applications from States for 2001 SEP Special Projects financial assistance must be received at the State's DOE Regional Office no later than February 23, 2001 in order to compete for this Special Projects funding.

3.2B: PARTNER AND SUBRECIPIENT DUE DATES: Entities that are proposing to participate in a State's Special Project must contact that State to determine what deadline the State has established for the receipt of information it needs to include in its application to DOE, as well as any other requirements the State may have.

3.3: REQUESTS FOR EXTENSION FOR SPECIAL PROJECTS APPLICATIONS: No requests for extensions for the submittal of SEP Special Projects applications will be granted.

3.4: EXPENDITURE PROHIBITIONS AND LIMITATIONS: As provided for under the May 1, 2000 revision to the SEP rule, any special limitations or prohibitions (other than those inherent in the types of projects being sought) on the use of Special Projects funding are specified under the respective program descriptions in this Announcement.

4.0: SEP SPECIAL PROJECTS SELECTION PROCESS

4.1: REGIONAL OFFICE REVIEWS: DOE Regional Office (RO) staff will perform an initial review of all Special Project applications for completeness. This review will include verifying that all the information required is included in the application (and obtaining missing information), determining that cost shares are appropriate and have been correctly calculated, etc. Applications will be forwarded to DOE Headquarters for technical evaluation and ranking, with subsequently received clarifying or originally missing information forwarded as it is received.

4.2: PROJECT RANKING: Applications will be distributed by staff in OBTA at DOE

Headquarters to the respective end-use sector offices where they will be technically evaluated and ranked. DOE anticipates that evaluators will primarily be DOE employees, but where non-DOE evaluators are used, they shall be required to comply with all applicable DOE rules or directives concerning the use of outside evaluators. Evaluators shall be selected on the basis of their professional qualifications and expertise relating to the particular Special Project activity being evaluated.

4.3: PROJECT SELECTION: The end-use sectors will forward their recommended selections to OBTA for a final review that will take into consideration both the geographical diversity of the selections once all the sector recommendations are consolidated, and the importance and relevance of the recommended projects to SEP and the participating end-use sector programs in EERE. The final determinations of projects selected for funding will be made by the Assistant Secretary, EERE.

4.4: ANNOUNCEMENT OF SPECIAL PROJECTS SELECTIONS: 2001 SEP Special Projects selections are expected to be announced in May 2001, with financial assistance to be awarded by the Regional Offices starting in July 2001. The awarding of the financial assistance is dependent upon DOE's receipt of all required grant documentation, and delays in receiving required information from applicants will cause corresponding delays in issuance of financial assistance.

5.0: TRACKING IN WINSAGA DATA SYSTEM, REPORTING, REQUESTS FOR CHANGES

5.1: TRACKING IN WINSAGA: Special Projects financial assistance actions will be entered into the WinSAGA system once the financial assistance has been awarded, and the activities will be tracked through the quarterly reports and other reports or requests for action that are entered there. In addition, Special Projects activities are referred to in the SEP formula grant State Plans. *The exact process to be used is currently being developed and will be shared with States and Regional Offices once completed.*

5.2: REPORTING: States are required to provide quarterly progress and financial status reports for each SEP Special Project, as specified in the terms and conditions of award. A final progress

report summarizing the results of each project must also be provided.

5.2A: REPORTING BY SUBRECIPIENTS: States must ensure that subrecipients submit required reports on a timely basis so that the State may, in turn, get its reports to DOE on time.

5.2B: REQUESTS FOR CHANGES OF SCOPE ONCE FINANCIAL ASSISTANCE AWARDED: Requests for changes of scope should be submitted separately from the quarterly reports, and will be reviewed by both the Regional Office and the Headquarters end-use sector liaisons prior to decision and response. Because Special Projects financial assistance is awarded competitively,

a material change in scope may result in termination of the agreement. However, a logical change in direction as a result of findings in the performance of the award may be considered by DOE.

5.2C: REQUESTS FOR EXTENSIONS OF TIME TO COMPLETE SPECIAL PROJECTS AFTER FINANCIAL ASSISTANCE AWARDED: Requests for extension of time to complete projects should be submitted separately from the quarterly reports, and will be reviewed by both the Regional Office and the Headquarters end-use sector liaisons prior to decision and response.

5.2C: PAPER COPIES TO RO'S AND HQ: States that are not using the WinSAGA system for reporting must send the required number of copies of their Special Projects quarterly reports (and any other reports or requests for DOE action) to their Regional Office, and must also send one copy to the DOE Headquarters end-use sector liaison specified under part six of this announcement for the particular project(s) the State is undertaking.

SAMPLE INTRODUCTORY PAGE FORMAT

2001 State Energy Program Special Projects

End-Use Sector Activity Being Applied For: [use title from section 6 of this announcement; add category number or designation if the sector is offering several types of projects]

State Special Project Title: [try to keep to one line]

State Applying for Grant:

Other States Participating: [if any, please list here]

Amount Being Applied for: [enter the amount being sought from DOE]

Cost Share: [enter amount(s) and source(s) of cost share the State will provide, if applicable]

Planned Completion Date: [when project will be completed]

Congressional District of Project: [if project is in one or more districts, please identify; if Statewide, state that]

Project Description: [provide one or two paragraphs clearly describing the proposed project. All information requested on this sheet, including the project description, should fit on 1 page]

State contact for more information:
[provide the name, address, phone and
fax number if available, of the staff person
to call if information needed]

Other contacts:
[provide names, etc. of others such as
Clean Cities contacts]

STATE ENERGY PROGRAM SPECIAL PROJECTS

RECOMMENDED COST-SHARE EXPLANATION PAGE

(This sample page is provided as a suggested guide for explaining the State's proposed cost share sources and types. The information indicated here is required wherever cost shares are proposed, and it facilitates application review if cost shares for all Special Projects are presented in the same format. Hence, the recommendation that this format be used for all types of cost share.)

Name of Applicant	Title of Project

PROPOSED COST SHARE (AND SOURCES)

(Put each source on a separate line; add lines as necessary if more than one source)

Cash:	
Amount: \$	Source:
State or Third Party In-Kind:	
Amount: \$	Source:

In accordance with the Department of Energy Assistance Regulations, “Third party in-kind contributions” are defined as: **Property or services which benefit a federally assisted project or program and which are contributed by non-Federal third parties without charge to the financial assistance recipient or a cost-type contractor under the financial assistance agreement.**

Cost-sharing must meet the following requirements of the Assistance Regulations:

- C It must be verifiable from the financial assistance recipient’s records;
- C It must not be included as a contribution for any other federally-assisted project or program;
- C It must be necessary and reasonable for the proper and efficient accomplishment of the project or program objectives;
- C It must be allowable under the applicable cost principles;
- C It must not be paid by the Federal government under another award, except where authorized by Federal statute; and
- C It must be provided for in the proposed budget.

Please note any special end-use sector cost-share requirements/options specified under section six.

In order for the Department of Energy to properly evaluate the proposed cost-sharing contributions, each applicant for State Energy Program Special Projects funding shall provide the information specified on this worksheet FOR EACH SOURCE of cost share funds, whether cash or in-kind contributions, and whether the source is the State itself, or a third party.

Name and Address of Contributor
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Nature of Contribution	Estimated Value of Contribution	Basis of Valuation
Personnel		
Fringe Benefits		
Travel		
Equipment		
Supplies		
Contractual		
Other (Specify)		
Other (Specify)		
Other (Specify)		
Other (Specify)		
Other (Specify)		
Indirect		
TOTAL		

6.0 SPECIAL PROJECTS END-USE SECTOR PARTICIPANTS FOR 2001:

---- 6.1 Transportation Technologies: Clean Cities/Alternative Fuels (page 13)

---- 6.2 Industrial Technologies (page 19)

---- 6.3 Building Technologies:

---- 6.31 Codes and Standards (page 32)

---- 6.32 Rebuild America (page 36)

---- 6.33 Building America (page 44)

---- 6.34 Energy and Environment Integration (page 50)

---- 6.4 The Federal Energy Management Program (page 55)

---- 6.5 Power Technologies:

---- 6.51 Hydrogen Reformer Field Verification (page 63)

---- 6.52 Wind Energy Case Studies (page 67)

---- 6.53 Biomass Power Projects (page 69)

---- 6.54 Brightfields - Redeveloping Brownfields with Solar Energy (page 71)

---- 6.55 Geothermal Resource Assessments (page 75)

---- 6.56 Distributed Energy Resources (page 79)

6.1 TRANSPORTATION TECHNOLOGIES: CLEAN CITIES/ALTERNATIVE FUELS

Legislation: The Clean Cities/Alternative Fuels program is authorized under Section 505 of EPACT, under the title Voluntary Supply Commitments.

Estimated Funds Available: \$3.8 million

Estimated Number of Projects: See section below on Projects Requested in 2001.

Funding Ceilings: See project descriptions below in Projects Requested in 2001 for any project funding ceilings.

Cost Share: A 33 1/3% non-DOE cost share is required for categories 1 and 2. A 20% non-DOE cost share is required for category 3, and a 50% non-DOE cost share is required for categories 4 and 5.

For example, where a 33 1/3% cost share is required, and the total cost of the project is \$150,000, DOE's share would not exceed \$100,000 and the grantee's cost share would be at least \$50,000. Where a 20% cost share is required, and the total cost of the project is \$100,000, DOE's share would not exceed \$80,000, and the grantee's cost share would be at least \$20,000. Where a 50% cost share is required, and the total cost of the project is \$40,000, DOE's share would not exceed \$20,000 and the grantee's cost share would be at least \$20,000. When cost share specifies a cash percentage, this means it cannot be in-kind.

Background

The goal of the U.S. Department of Energy's (DOE) Clean Cities program is to accelerate the development of a sustainable alternative fuels market through public/private Clean Cities partnerships formed around the country. The program will continue to provide funds to State Energy Offices for Special Projects to support Clean Cities' alternative fuels and alternative fuel vehicles (AFV) through the development of infrastructure, niche markets, and strategic alliances between the Federal, State and local government partners and private sector Clean Cities stakeholders.

For the 2001 Special Projects, the Clean Cities program is offering funding in five categories listed below to help ensure that local Clean Cities coalitions are vibrant, active coalitions enabling fleet customers to increase their use of AFVs:

- C projects that promote acquisition of commercially-available AFVs that maximize alternative fuel use, especially when those vehicles support a specific AFV niche market activity center or niche deployment strategy;
- C projects that promote AFV infrastructure development;
- C projects that promote the acquisition of AFV school buses;
- C projects that provide specialized training related to the deployment of AFVs within specific niche markets; and
- C projects that provide cost sharing toward the salary of a Clean Cities coordinator.

Procedural Guidelines

- C In all cases, letters of commitment (not support) must accompany proposal to substantiate cost share. Without letters of commitment, cost-share will be assumed to be not met, and the proposal cannot be considered.
- C Fuel provider fleets covered by EPOA are not eligible to receive funds to purchase vehicles for their own fleets under the Niche Market category. Fuel providers, as participating private-sector partners, must be in compliance with the EPOA alternative fuel vehicle acquisition rule in order to be eligible to receive Clean Cities funding under any other category.
- C States must submit Special Project proposals for alternative fuel transportation projects in partnership with their local, officially-designated Clean Cities coalition.
- C Only projects located in active, designated (or approved for designation) Clean Cities are eligible for funding. The primary proposer must be a coalition stakeholder. An “active” coalition is one with a valid and approved Memorandum of Understanding with DOE. A designated coalition means that DOE has authorized a designation ceremony, or has approved the coalition for designation by the time of submission of the grant proposal.
- C Projects are evaluated on the value of cost share, and the type of in-kind services being offered, not necessarily the total declared value in the proposal, although the minimum requirement must be met. For instance, services such as general office costs which would be paid regardless of SEP funding, are valued much lower than a strictly financial contribution tied directly to the project.
- C Funds for Categories 1 - 3 are intended to pay for hardware. However, DOE recognizes that on occasion project management costs are necessary. If project management costs are included in the budget, the project manager must be identified and his/her responsibilities described. DOE reserves the option to renegotiate all project management costs.
- C DOE Grant money cannot be used to cover the incremental cost of any vehicle which has also received (or will receive) DOE rebate money.
- C Incremental costs for AFV projects submitted in the Niche Markets category must be calculated on the net price difference between the proposed AFV and a similarly equipped, conventionally fueled vehicle after all other applicable manufacturer and local/State rebates and cash equivalent incentives are applied.
- C Proposals must be adequately documented. If hardware is to be purchased, bids identifying hardware cost should be included.
- C If the proposer is interested in requesting funding for more than one Special Project category, a separate proposal for each category must be submitted for evaluation. For example, projects that entail funding for both vehicle acquisition, and infrastructure development to fuel those vehicles, must be submitted as two separate proposals addressing the criteria identified in the Niche Markets and Infrastructure categories, respectively.
- C A final report including the following pertinent information must be submitted before final payment for any award will be made in categories (1) - (4). Information to be included, but is not limited to:
 - C Niche Markets (1) and School Buses (3) - Vehicle procurement schedule with anticipated delivery dates, copies of vehicle purchase order placed with dealer or invoices clearly indicating alternative fuel options and costs. List of applicable rebates or other non-DOE incentives applied for or received.

- C Infrastructure (2) - Site identification, project construction schedule, permit verification, equipment selection with itemized costs or final bid information, and final list of fleet participants and key partners.
- C Training (4) projects - Course outline and objectives, identification of training provider and training schedule.
- C Proposals which request funds for a particular category that exceed the funding limitations specified will not be considered.
- C Grantees must commit to display a Clean Cities decal (provided by DOE) on all vehicles purchased with SEP Special Projects funds.
- C The performance track record of prospective grantees which have received previous grants will be taken into account. Applicants must describe the status and results of previous SEP grants in the application.
- C Applicants should be aware that permits may be required for many infrastructure projects. If the applicant does not have the required permits within one year of the grant negotiation date, funds for the grant will be deobligated.

Projects Requested in 2001

Category 1: Niche Markets - Projects that promote acquisition of AFVs in “niche” market fleets. Funding is available for the incremental cost of dedicated AFVs, or AFVs that will maximize alternative fuel use. DOE has a particular interest in funding medium and heavy duty vehicles, for use on roads and highways. Priority will be given to “Niche” market fleets (such as airport shuttle buses and vans, taxi fleets, cargo delivery vehicles, and local government fleets of refuse haulers, motor pools, and support operations) that demonstrate a strategy of concentrating AFVs in activity centers that maximize infrastructure utilization. Proposals that include bi-fuel or dual fuel AFV technologies must submit a fuel use data collection and reporting plan that will be used for the duration of the project to document and verify maximum fuel usage. In addition, bi-fuel or dual fuel AFV proposals must describe what refueling infrastructure is available and how the applicant will ensure maximum alternative fuel use. Incremental cost is determined only after all other rebates and cash equivalent incentives have been applied. Any vehicles which are purchased with SEP funds must display a Clean Cities decal provided by DOE. In this category, the Clean Cities program is interested in funding approximately ten (10) to fifteen (15) projects not to exceed \$100,000 per project on light duty vehicles, and \$200,000 per project on medium and heavy duty vehicles. A cost share of 33 1/3% is required.

Category 2: Projects that develop AFV refueling infrastructure. Infrastructure projects can include new facilities or upgrades and improvements to existing AFV fueling sites. Project proposals should include the fuel type, estimated fuel use sales (i.e. fuel quantity based on fleet commitments, not the total capacity of the station), and the projected number of AFVs that will use the facility. Whenever possible, identify actual fleets that have pledged to use the site and include letters of commitment to that effect. Projects that include fleet commitments for fuel purchases at the fueling site will be of particular interest. Extra consideration will be given to fueling sites that have public access provisions. Projects that include card lock systems must utilize a universal reader technology and, whenever possible, support station networking protocols already established in the region. Refueling sites that contribute to an infrastructure corridor development plan or strategy are desirable and should be clearly noted. Each fueling site location must be identified (a sketch or simplified site layout drawing is desirable) and applicants must submit a project implementation plan that includes a proposed construction schedule, a

discussion of permitting requirements, and environmental assessment needs. The applicant has one (1) year after the negotiation date to complete local permitting requirements or DOE funds will be de-obligated. In this category, the Clean Cities program is interested in funding approximately eight (8) to ten (10) projects not to exceed \$150,000 per project in this category. A cost share of 33 1/3%, with 50% of this amount in cash, is required.

Category 3: Projects that deploy alternative fuel school buses. Funding is available to support DOE's Energy Smart Schools initiative, with a focus on deployment, rather than technology development. No projects involving the use of prototype, experimental, or non-commercial vehicle technologies will be funded. Alternative fuel school buses deployed as a part of this project must use emissions certified engines from original equipment manufacturers (OEMs). DOE has a particular interest in funding larger projects (which include 5 or more alternative fuel buses at one location). Any vehicles which are purchased with DOE funds must display a Clean Cities decal, provided by DOE. In this category, the Clean Cities program is interested in funding approximately five (5) to eight (8) projects in the range of \$100,000 to \$200,000 per project. A cost share of 20%, with 25% of this amount in cash, is required.

Category 4: Projects that promote AFV training. Funding is available for training when it facilitates the transition from conventional fuel to alternative fuel use in the niche market fleets. Training can include AFV maintenance and repair, safety and emergency procedures, refueling station operations and maintenance, and AFV operation techniques. Training can be for maintenance staff, vehicle operation personnel, and local fire and safety officials. Deliverables must be defined in the proposal. The entity conducting the training must be identified in the proposal and qualifications provided, along with a training syllabus, course objectives, and schedule for the training. In this category, the Clean Cities program intends to fund between two (2) and ten (10) projects at \$50,000 - \$70,000 per project. A cost share of 50% is required, with 50% of the cost share in cash.

Category 5: Clean Cities Coordinator positions. Coordinator responsibilities include, but are not limited to: organizing and holding "Advancing the AFV Choice" events; developing fund-raising strategies and/or writing grant proposals; holding public education and outreach campaigns; developing legislative strategies; and developing and promoting training programs on the maintenance of AFVs. Although DOE prefers to fund full-time coordinators at \$25,000 per project, we recognize that not all coalitions are large enough to support a full-time coordinator. Therefore, DOE will consider funding a limited number of part-time coordinators at \$15,000 per project. Applications must specify the percentage of time the coordinator will spend in the position. DOE will fund approximately sixteen (16) projects in this category. A cost share of 50%, with 50% of this amount in cash, is required. DOE assistance in this category is intended to be a temporary mechanism to help coalitions become more self-sustaining. Therefore, coalitions that received coordinator funding last year under SEP should not reapply this year.

Evaluation Criteria for Niche Markets (1), Infrastructure (2), and School Buses (3)

Proposals submitted in categories 1, 2, and 3 will be evaluated and ranked by the following criteria:

1) Probability of project success based on the technical feasibility of the project, thoroughness of project implementation plan, and identification and qualifications of appropriate team members. (35

points)

- 2) Probability of project success, as indicated by coalition and partner(s) past performance. The proposal should demonstrate that the team has sufficient expertise and experience to bring the project to a successful conclusion. Grading factors will include: successful prior project management experience with significant AFV and infrastructure deployment results, prior AFV related grant implementation success; and consistency with previously documented coalition goals. (15 points)
- 3) Energy security benefits as indicated by the estimated amount of fuel dispensed at alternative fuel refueling stations introduced as a result of this project and/or by the estimated alternative fuel used in vehicles purchased in categories one (1) and three (3). (15 points)
- 4) Extent to which project will contribute to a sustainable alternative fuel market and potential for future growth without additional Federal funding. (15 points)
- 5) Visibility of project activities - probability of increasing awareness and acceptance of alternative fuels and AFVs among target sectors in the local community including, but not limited to, current stakeholders, fleet operators, media, and the general public. (10 points)
- 6) Greater cost share participation or cash equivalent contribution than what is required. Leveraging and active participation from other coalition stakeholders and partners are strongly encouraged. (10 points)

Evaluation Criteria for Training 4

Proposals submitted in Category 4 will be evaluated by the following criteria:

- 1) Probability of success, as indicated by qualifications of the proposed trainer and the description of the training curriculum and course objectives. (40 points)
- 2) Degree to which the training will make a difference in the acceptance of the AFVs by fleet operations and/or maintenance staff. (30 points)
- 3) Replication or repeatability of the training. (15 points)
- 4) Greater than a 50% cost share or greater than 50% of that amount in cash. (15 points)

Evaluation Criteria for Coordinators 5

Proposals submitted in Category 5 will be evaluated by the following criteria:

- 1) Ability to strengthen the Clean Cities coalition to help meet its Program Plan/Memorandum of Understanding (MOU) goals for: (a) alternative fuel vehicle and infrastructure deployment; (b) fleet operator recruitment and outreach; (c) and public education and information. (35 points)
- 2) Probability of success, as indicated by the past performance of the coalition. If there is no record of

past performance, the proposal can be evaluated on future potential. Grading factors will include: successful prior project deployment and grant implementation; coordination and consistency with previously documented coalition goals; progress accelerating the deployment of AFVs; and quality and quantity of participating stakeholders and partners. Potential leveraging of future resources may also be considered, if applicable. (30 points)

3) Visibility of coordinator activities - probability of increasing awareness and acceptance of alternative fuels and AFVs among target sectors in the local community including, but not limited to: current stakeholders, fleet operators, media, and the general public. (20 points)

4) Greater than a 50% cost share participation or greater than 50% of the cost share in cash. Leveraging and active participation from other coalition stakeholders and partners are strongly encouraged. (15 points)

Program Policy Factors

The DOE Clean Cities program will apply program policy factors. The following factors will not be point scored but will be assessed: geographic location of applicant, diversity of alternative fuels, and demonstrated need for Federal funding.

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